

CONTINUATION OF
DISPATCH

CLASSIFICATION

SECRET

DISPATCH SYMBOL AND NO.

BOOK DISPATCH NO. 1323

5. In no case will loans be made to circumvent the necessary certification of the expenditure of official funds for official purposes. Persons dispatched to Headquarters for disciplinary or operational purposes would fall under this category. Similarly, the support given to contract agents, no matter how eleemosynary in character, cannot be drawn from the funds available for PSAS use.

6. Procedural instructions are provided in the attachment. Each loan will be evidenced and secured by a 90 day promissory note and we will normally expect settlement well beforehand. If the traveler is an employee and will visit Headquarters, this should be indicated so that arrangements can be made for personal discussion of repayment arrangements with the Society's representatives.

7. The Trustees regard this decentralization of authority as experimental but are most eager that the experiment succeed. There appears to be only two ways in which it might fail: First, through the improper use of this authority and second, as a result of a "run on the bank" which would deplete all available funds. Every effort will be made to correct any errors in judgment and thus prevent the termination of the experiment for the first reason cited; with regard to the second, the Trustees honestly do not believe there is much likelihood this will happen.

FOR THE CHIEF, 

25X1A2d2

Attachment:
Procedural Instructions

25X1A9a

CONTINUATION OF
DISPATCHCLASSIFICATION

SECRETDISPATCH SYMBOL AND NO.
ATTACHMENT TO BOOK DISPATCH
NO. 1323PROCEDURAL INSTRUCTIONS

1. WHEN SHORT-TERM LOANS MAY BE MADE

Short-term loans may be made when, in the personal judgment of the Chief of Station or Base, the employee has an urgent, compelling and unforeseeable need for funds which, if not satisfied, will cause unreasonable hardship and emotional stress AND when the required funds or credit cannot otherwise be obtained by the employee within the time that their expenditure is essential.

Short-term loans shall not be made if the required funds can be obtained in sufficient time from other sources, including the Credit Union. For this purpose, it may be assumed that the field in emergency situations can request Credit Union or PSAS loans or grants and receive authorization to disburse the funds within two work days.

2. REVIEW OF REQUEST BY STATION OR BASE CHIEF

The Chief of Station or Base shall have the situation occasioning the urgent need for funds thoroughly investigated and shall satisfy himself as to the facts and the need for a loan. He shall also counsel the employee on his problem and alternative avenues of action which may be open.

3. AMOUNT OF LOAN

The maximum amount of a short-term loan shall be \$200.00 or, if emergency travel is required, the cost of one round trip fare for the employee or his spouse, plus 10 percent for expenses.

4. TERM OF LOAN AND REPAYMENT

Emergency loans shall be secured by a promissory note from the employee guaranteeing repayment within 90 days. If the individual is unable to arrange repayment by obtaining a Credit Union loan or through other personal financial resources, he may apply for a long-term PSAS loan or grant to liquidate the note. Because of the relatively small size of the fund set aside for these temporary emergency loans, it is essential that repayment to this fund be accomplished within the prescribed period of 90 days.

5. REPORTING LOANS TO HEADQUARTERS

a. Cable to Headquarters for the PSAS

25X1A2d2 A brief [REDACTED] cable shall be sent concurrent with the granting of a loan stating that a PSAS loan in a stated amount has been made to an identified employee. This cable is essential to preclude possible over-disbursement of available PSAS funds.

b. Report to HEADQUARTERS for the PSAS

A full explanation of the situation, basis of the decision to loan PSAS funds under this special authority, and explanation of method of repayment (including an application for a Credit Union loan, a long-term PSAS loan or grant, if appropriate, or other specific plan for the repayment of a short-term loan within a specific period), shall be forwarded promptly to Headquarters by dispatch bearing the indicator [REDACTED] 25X1A2d2

25X1A2d2 The subject of the dispatch should be "PSAS Loan", and should reference the [REDACTED] dispatch, described below, which transmits financial documentation.

FORM
10-57 53a
(40)USE PREVIOUS EDITION.
REPLACES FORMS
51-28, 51-28A AND 51-29
WHICH ARE OBSOLETE.CLASSIFICATION

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NO. 1323

c. Financial Reporting

Stations are authorized to approve advances of PSAS funds as stated herein and to transfer accountability for the advances to Headquarters. The accounting procedures to be followed to transfer the accountability to Headquarters will depend upon the accounting methods in use by the station. The original promissory note and any other financial documents shall be transmitted to Headquarters by dispatch, Subject - "PSAS Advance", bearing the indicator [REDACTED]. Procedures for stations using different methods of accounting are as follows:

(1) Stations using Class "A" type accounting procedures will follow [REDACTED] for recording the disbursement in the station accounts and for transfer of the accountability to Headquarters. The T/A will be identified under "Remarks" by inserting the phrase "PSAS Advance", in addition to other related data. One extra copy of the T/A will be forwarded to Headquarters. Use the indicator [REDACTED] when transmitting the T/A.

(2) Stations using Class "B" accounting procedures to report disbursements directly to Headquarters will follow [REDACTED] for recording the disbursement in the station records. The amount will be entered in columns 6 and 9 of the Cash Journal. Transfer of the accountability for the disbursement to Headquarters will be accomplished by a station dispatch which will be cited on the station accounting.

(3) Stations using "B" type accounting procedures to report disbursements to another field station will follow the instructions outlined in the preceding paragraph with respect to recording the disbursement at the station and reporting the case directly to Headquarters. The dispatch to Headquarters will constitute authority to transfer the accountability. However, a copy of the dispatch will be furnished to the intermediate station and no transfer of accountability (T/A) will be required by Headquarters from the intermediate station. The dispatch number will be cited on Schedule "D" for transfers prepared by the intermediate station as part of its accounting records and reports to Headquarters.

6. SUSPENSION OF AUTHORITY

In the event PSAS funds become exhausted to a point that the authorization to make emergency temporary loans must be suspended, cable notification will be given referencing this dispatch. In the event of suspension of this field authority, all requests for PSAS assistance will be referred directly to Headquarters for disposition.